

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 112, Page 1, Section A, Line 3, by
2 inserting after all of said line the following:

3 "32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following
4 order until used, against:

5 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;

6 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
7 148.030;

8 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

9 (4) The tax on other financial institutions in chapter 148;

10 (5) The corporation franchise tax in chapter 147;

11 (6) The state income tax in chapter 143; and

12 (7) The annual tax on gross receipts of express companies in chapter 153.

13 2. For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed
15 during the taxable year by the business firm or, in the case of a financial institution, where
16 applicable, during the relevant income period in programs approved pursuant to section 32.110;

17 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
18 percent may be allowed for contributions to programs where activities fall within the scope of
19 special program priorities as defined with the approval of the governor in regulations promulgated
20 by the director of the department of economic development;

21 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
22 contributions to programs located in any community shall be equal to seventy percent of the total
23 amount contributed where such community is a city, town or village which has fifteen thousand or
24 less inhabitants as of the last decennial census and is located in a county which is either located in:

25 (a) An area that is not part of a standard metropolitan statistical area;

26 (b) A standard metropolitan statistical area but such county has only one city, town or village
27 which has more than fifteen thousand inhabitants; or

28 (c) A standard metropolitan statistical area and a substantial number of persons in such
29 county derive their income from agriculture. Such community may also be in an unincorporated
30 area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case
31 shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed
32 the amount contributed by the taxpayer during the tax year;

33 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall
34 not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any
35 subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation
36 is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of
37 the total amount contributed. Regulations establishing special program priorities are to be

Action Taken _____ Date _____

promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

(5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons. Beginning August 28, 2013, no new tax credits shall be granted for programs under section 32.110. The provisions of this subdivision shall not be construed to limit or impair the ability of any administering agency to issue tax credits authorized prior to August 28, 2013, or the ability of any taxpayer to redeem any such tax credits

3. For proposals approved pursuant to section 32.111:

(1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530 by a business firm. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year. Beginning August 28, 2013, no new tax credits shall be granted for programs under section 32.111. The provisions of this subdivision shall not be construed to limit or impair the ability of any administering agency to issue tax credits authorized prior to August 28, 2013, or the ability of any taxpayer to redeem any such tax credits;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rentals for each claimed unit are in compliance with the provisions of

sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by business firms. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year.

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112."; and

Further amend said substitute, Pages 3 through 11, Section 99.1205, Lines 1 through 266, by deleting all of said section from the bill and inserting in lieu thereof the following:

"99.1205. 1. This section shall be known and may be cited as the "Distressed Areas Land Assemblage Tax Credit Act".

2. As used in this section, the following terms mean:

(1) "Acquisition costs", the purchase price for the eligible parcel, costs of environmental assessments, closing costs, real estate brokerage fees, reasonable demolition costs of vacant structures or any portion thereof, together with site and redevelopment area planning and engineering costs regarding one or more eligible parcels, and reasonable maintenance costs incurred to maintain an acquired eligible parcel for a period of [five] twelve years after the acquisition of such eligible parcel. Acquisition costs shall not include costs for title insurance and survey, attorney's fees, relocation costs, fines, or bills from a municipality;

(2) "Applicant", any person, firm, partnership, trust, limited liability company, or corporation which has:

(a) Incurred, within an eligible project area, acquisition costs for the acquisition of land sufficient to satisfy the requirements under subdivision (8) of this subsection; and

(b) Been appointed or selected, pursuant to a redevelopment agreement by a municipal

1 authority, as a redeveloper or similar designation, under an economic incentive law, to redevelop an
 2 urban renewal area or a redevelopment area that includes all of an eligible project area or whose
 3 redevelopment plan or redevelopment area, which encompasses all of an eligible project area, has
 4 been approved or adopted under an economic incentive law. In addition to being designated the
 5 redeveloper, the applicant shall have been designated to receive economic incentives only after the
 6 municipal authority has considered the amount of the tax credits in adopting such economic
 7 incentives as provided in subsection 8 of this section. The redevelopment agreement shall provide
 8 that:

9 a. the funds generated through the use or sale of the tax credits issued under this section shall
 10 be used to redevelop the eligible project area;

11 b. No more than seventy-five percent of the urban renewal area identified in the urban
 12 renewal plan or the redevelopment area identified in the redevelopment plan may be redeveloped by
 13 the applicant; and

14 c. The remainder of the urban renewal area or the redevelopment area shall be redeveloped
 15 by co-redevelopers or redevelopers to whom the applicant has assigned its redevelopment rights and
 16 obligations under the urban renewal plan or the redevelopment plan;

17 (3) "Certificate", a tax credit certificate issued under this section;

18 (4) "Condemnation proceedings", any action taken by, or on behalf of, an applicant to initiate
 19 an action in a court of competent jurisdiction to use the power of eminent domain to acquire a parcel
 20 within the eligible project area. Condemnation proceedings shall include any and all actions taken
 21 after the submission of a notice of intended acquisition to an owner of a parcel within the eligible
 22 project area by a municipal authority or any other person or entity under section 523.250;

23 (5) "Department", the Missouri department of economic development;

24 (6) "Economic incentive laws", any provision of Missouri law pursuant to which economic
 25 incentives are provided to redevelopers of a parcel or parcels to redevelop the land, such as tax
 26 abatement or payments in lieu of taxes, or redevelopment plans or redevelopment projects approved
 27 or adopted which include the use of economic incentives to redevelop the land. Economic incentive
 28 laws include, but are not limited to, the land clearance for redevelopment authority law under
 29 sections 99.300 to 99.660, the real property tax increment allocation redevelopment act under
 30 sections 99.800 to 99.865, the Missouri downtown and rural economic stimulus act under sections
 31 99.915 to 99.1060, and the downtown revitalization preservation program under sections 99.1080 to
 32 99.1092;

33 (7) "Eligible parcel", a parcel:

34 (a) Which is located within an eligible project area;

35 (b) Which is to be redeveloped;

36 (c) On which the applicant has not commenced construction prior to November 28, 2007;

37 (d) Which has been acquired either directly by the applicant, or on behalf of the applicant
 38 through one or more affiliated companies controlled by the applicant or under common ownership
 39 with the applicant;

40 (e) Which has been acquired without the commencement of any condemnation proceedings
 41 with respect to such parcel brought by or on behalf of the applicant. Any parcel acquired before
 42 August 28, 2007, by the applicant from a municipal authority shall not constitute an eligible parcel;
 43 and

44 [(e)] (f) On which all outstanding taxes, fines, and bills levied by municipal governments that
 45 were levied by the municipality during the time period that the applicant held title to the eligible
 46 parcel have been paid in full;

47 (8) "Eligible project area", an area which shall have satisfied the following requirements:

48 (a) The eligible project area shall consist of at least seventy-five acres and may include

1 parcels within its boundaries that do not constitute an eligible parcel;

2 (b) At least eighty percent of the eligible project area shall be located within a Missouri
3 qualified census tract area, as designated by the United States Department of Housing and Urban
4 Development under 26 U.S.C. Section 42, or within a distressed community as that term is defined
5 in section 135.530.

6 (c) Any area including and within one quarter mile of property formerly utilized by the state
7 of Missouri as a penitentiary located in any home rule city with more than forty-one thousand but
8 fewer than forty-seven thousand inhabitants and partially located in any county of the first
9 classification with more than seventy thousand but fewer than eighty-three thousand inhabitants.

10 [(c)] (d) The eligible parcels acquired by the applicant within the eligible project area shall
11 total at least fifty acres, which may consist of contiguous and noncontiguous parcels, but shall not
12 include any parcel acquired by the applicant from a municipal authority;

13 [(d)] (e) The average number of parcels per acre in an eligible project area shall be four or
14 more;

15 [(e)] (f) Less than five percent of the acreage within the boundaries of the eligible project
16 area shall consist of owner-occupied residences which the applicant has identified for acquisition
17 under the urban renewal plan or the redevelopment plan pursuant to which the applicant was
18 appointed or selected as the redeveloper or by which the person or entity was qualified as an
19 applicant under this section on the date of the approval or adoption of such plan;

20 (9) "Interest costs", interest, loan fees, and closing costs, any of which relate to or arise out of
21 loans relating to acquisition costs, including without limitation, interest, loan fees and closing costs
22 associated with the refinancing of loans relating to acquisition costs. Interest costs shall not include
23 attorney's fees;

24 (10) "Maintenance costs", costs of boarding up and securing vacant structures, costs of
25 removing trash, and costs of cutting grass and weeds;

26 (11) "Municipal authority", any city, town, village, county, public body corporate and politic,
27 political subdivision, or land trust of this state established and authorized to own land within the
28 state;

29 (12) "Municipality", any city, town, village, or county;

30 (13) "Parcel", a single lot or tract of land, and the improvements thereon, owned by, or
31 recorded as the property of, one or more persons or entities;

32 (14) "Redeveloped", the process of undertaking and carrying out a redevelopment plan or
33 urban renewal plan pursuant to which the conditions which provided the basis for an eligible project
34 area to be included in a redevelopment plan or urban renewal plan are to be reduced or eliminated by
35 redevelopment or rehabilitation; and

36 (15) "Redevelopment agreement", the redevelopment agreement or similar agreement into
37 which the applicant entered with a municipal authority and which is the agreement for the
38 implementation of the urban renewal plan or redevelopment plan pursuant to which the applicant
39 was appointed or selected as the redeveloper or by which the person or entity was qualified as an
40 applicant under this section; and such appointment or selection shall have been approved by an
41 ordinance of the governing body of the municipality, or municipalities, or in the case of any city not
42 within a county, the board of aldermen, in which the eligible project area is located. The
43 redevelopment agreement shall include a time line for redevelopment of the eligible project area,
44 including deadlines for commencement of work and for project completion, and shall provide the
45 municipal authority the right to terminate the rights of the redeveloper under the redevelopment
46 agreement if such deadlines are not met. The redevelopment agreement shall state that the named
47 developer shall be subject to the provisions of chapter 290.

48 3. Subject to the limitations provided in subsection 7 of this section, any applicant shall be

entitled to a tax credit against the taxes imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265, in an amount equal to fifty percent of the acquisition costs, and one hundred percent of the interest costs incurred for a period of [five] twelve years after the acquisition of an eligible parcel. [No tax credits shall be issued under this section until after January 1, 2008.]

4. If the amount of such tax credit exceeds the total tax liability for the year in which the applicant is entitled to receive a tax credit, the amount that exceeds the state tax liability may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148 for the succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265. Applicants entitled to receive such tax credits may transfer, sell, or assign the tax credits. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

5. A purchaser, transferee, or assignee of the tax credits authorized under this section may use acquired tax credits to offset up to one hundred percent of the tax liabilities otherwise imposed under chapters 143, 147, and 148, except for sections 143.191 to 143.265. A seller, transferor, or assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department to administer and carry out the provisions of this section.

6. To claim tax credits authorized under this section, an applicant shall submit to the department an application for a certificate. An applicant shall identify the boundaries of the eligible project area in the application. The department shall verify that the applicant has submitted a valid application in the form and format required by the department. The department shall verify that the municipal authority held the requisite hearings and gave the requisite notices for such hearings in accordance with the applicable economic incentive act, and municipal ordinances. On [an annual] a quarterly basis, an applicant may file for the tax credit for the acquisition costs, and for the tax credit for the interest costs, subject to the limitations of this section. If an applicant applying for the tax credit meets the criteria required under this section, the department shall issue a certificate in the appropriate amount. If an applicant receives a tax credit for maintenance costs as a part of the applicant's acquisition costs, the department shall post on its internet website the amount and type of maintenance costs and a description of the redevelopment project for which the applicant received a tax credit within thirty days after the department issues the certificate to the applicant.

7. The total aggregate amount of tax credits authorized under this section shall not exceed ninety-five million dollars. At no time shall the annual amount of the tax credits issued under this section exceed twenty million dollars. If the tax credits that are to be issued under this section exceed, in any year, the twenty million dollar limitation, the department shall either:

(1) Issue tax credits to the applicant in the amount of twenty million dollars, if there is only one applicant entitled to receive tax credits in that year; or

(2) Issue the tax credits on a pro rata basis to all applicants entitled to receive tax credits in that year as provided in this subdivision. The department shall determine on an ongoing basis during the course of each calendar year the amount of tax credits that have been issued to each applicant for each eligible project area during such year, and the amount of tax credits remaining available for issuance with respect to such calendar year, if any. Any amount of tax credits, which an applicant is, or applicants are, entitled to receive on an annual basis and are not issued due to the twenty million dollar limitation, shall be carried forward for the benefit of the applicant or applicants to subsequent years. No tax credits provided under this section shall be authorized after August 28, [2013] 2019. Any tax credits which have been authorized on or before August 28, [2013] 2019, but not issued,

1 may be issued, subject to the limitations provided under this subsection, until all such authorized tax
2 credits have been issued.

3 8. Upon issuance of any tax credits pursuant to this section, the department shall report to the
4 municipal authority the applicant's name and address, the parcel numbers of the eligible parcels for
5 which the tax credits were issued, the itemized acquisition costs and interest costs for which tax
6 credits were issued, and the total value of the tax credits issued. The municipal authority and the
7 state shall not consider the amount of the tax credits as an applicant's cost, but shall include [the]
8 issued tax credits in any subsequent sources and uses and cost benefit analysis reviewed or created
9 for the purpose of awarding other economic incentives. The amount of the tax credits shall not be
10 considered an applicant's cost in the evaluation of the amount of any award of any other economic
11 incentives, but shall be considered in measuring the reasonableness of the rate of return to the
12 applicant with respect to such award of other economic incentives. The municipal authority shall
13 provide the report to any relevant commission, board, or entity responsible for the evaluation and
14 recommendation or approval of other economic incentives to assist in the redevelopment of the
15 eligible project area. Tax credits authorized under this section shall constitute redevelopment tax
16 credits, as such term is defined under section 135.800, and shall be subject to all provisions
17 applicable to redevelopment tax credits provided under sections 135.800 to 135.830.

18 9. Following its initial application for tax credits under this section for eligible costs incurred
19 in 2013 or any following year, and during the period it continues to seek tax credits under this
20 section, an applicant shall submit to the department on a quarterly basis at the end of each calendar
21 quarter a report affirming such applicant's continued qualification as an applicant under this section,
22 describing the applicant's progress toward meeting the deadlines for commencement of work and for
23 project completion established under its redevelopment agreement with the applicable municipal
24 authority, and including copies of any written notices from such municipal authority asserting or
25 threatening a termination of such development agreement due to a breach or default in the
26 performance of such applicant's obligations under such redevelopment agreement. The department
27 shall review annually the eligibility of each applicant to receive tax credits under this section. The
28 department shall not issue to an applicant any tax credits provided under this section after the date
29 upon which the governing body of the municipality, or municipalities, or in the case of any city not
30 within a county, the board of aldermen, makes a finding that the applicant has failed to comply with
31 deadlines regarding project commencement or completion or other material provisions of its
32 redevelopment agreement with an applicant, and in furtherance of such finding the governing body
33 validly adopts an ordinance terminating its redevelopment agreement with the applicant, with the
34 result that such applicant no longer satisfies the requirements of paragraph (b) of subdivision (2) of
35 subsection 2 of this section. The governing body shall notify the department of the governing body's
36 findings and shall deliver to the department a certified copy of the ordinance terminating such
37 redevelopment agreement as soon as practicable.

38 10. The department may promulgate rules to implement the provisions of this section. Any
39 rule or portion of a rule, as that term is defined in section 36.010, that is created under the authority
40 delegated in this section shall become effective only if it complies with and is subject to all of the
41 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
42 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
43 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
44 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
45 August 28, 2007, shall be invalid and void.

46 "135.484. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section
47 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax
48 credits in any given year, eight million dollars shall be set aside for projects in areas described in

subdivision (6) of section 135.478 and eight million dollars for projects in areas described in subdivision (10) of section 135.478. The maximum tax credit for a project consisting of multiple-unit qualifying residences in a distressed community shall not exceed three million dollars.

2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit and the value of the credit.

3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed in addition to any other state tax credits, with the exception of the historic structures rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, which insofar as sections 135.475 to 135.487 are concerned may be claimed only in conjunction with the tax credit allowed pursuant to subsection 4 of section 135.481. In order for a taxpayer eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant to subsection 4 of section 135.481, the taxpayer must comply with the requirements of sections 253.545 to 253.559, and in such cases, the amount of the tax credit pursuant to subsection 4 of section 135.481 shall be limited to the lesser of twenty percent of the taxpayer's eligible costs or forty thousand dollars.

4. No tax credits provided under sections 135.475 to 135.487 shall be authorized on or after the effective date of this act. The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized prior to the effective date of this act, or a taxpayer's ability to redeem such tax credits."; and

Further amend said substitute, Pages 20 through 27, Section 144.810, Lines 1 through 242, by deleting all of said section from the bill and inserting in lieu thereof the following:

"135.1550. 1. Sections 135.1550 to 135.1575 shall be known and may be cited as the "Missouri Export Incentive Act".

2. As used in sections 135.1550 to 135.1575, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Air export tax credit", the tax credit against the taxes imposed under chapters 143, 147, and 148, except for those in sections 143.191 to 143.265, to be issued by the department to a claiming freight forwarder for the shipment of air cargo on a qualifying outbound flight;

(2) "Airport", any international airport located within the state;

(3) "Chargeable kilo", the shipment of a kilo of freight, as measured by the greater of:

(a) Actual weight; or

(b) A dimensional weight, as determined by the conversion factors promulgated by the International Air Transport Association, on a qualifying outbound flight;

(4) "Claiming freight forwarder", the freight forwarder designated as the "agent" on the airway bill for the qualifying outbound flight for which such air export tax credit is sought;

(5) "Department", the Missouri department of economic development;

(6) "Direct international aircraft flight", a single aircraft transoceanic flight that operates to an international destination in accordance with the operator's bilateral route authority;

(7) "Freight forwarder", a person who assumes responsibility in the ordinary course of business for the transportation of cargo from the place of receipt to the place of destination, including the utilization of a qualifying outbound flight;

(8) "Qualifying outbound flight", a direct international aircraft flight that carries either all cargo or a mix of passengers and cargo from the airport to an international destination.

1 135.1555. 1. For all fiscal years beginning on or after July 1, 2013, a claiming freight
2 forwarder shall be entitled to an air export tax credit for the shipment of cargo on a qualifying
3 outbound flight in an amount equal to forty cents per chargeable kilo.

4 2. The department shall index, and the secretary of state shall publish in the Missouri
5 Register, the amount of the air export tax credits to adjust each year depending upon fluctuations in
6 the cost of fuel for over-the-road transportation.

7 135.1560. 1. To receive benefits provided under section 135.1555, a claiming freight
8 forwarder shall file an application with the department within one hundred twenty calendar days of
9 the date of shipment. The documentation to be presented by the claiming freight forwarder in such
10 an application shall consist of the master airway bill for the shipment on the qualifying outbound
11 flight for which the claiming freight forwarder is seeking air export tax credits. The department
12 shall establish procedures to allow claiming freight forwarders that file applications for air export tax
13 credits to receive such tax credits within twenty business days of the filing of the application.

14 2. If the fiscal year cap on the issuance of air export tax credits provided under section
15 135.1565 is met in a given fiscal year, then the amount of such tax credits that have been authorized,
16 but remain unissued, shall be carried forward and issued in the subsequent fiscal year.

17 3. No tax credits provided under this section shall be authorized after June 30, 2021. Any
18 tax credits authorized on or before June 30, 2021, but not issued, may be issued until all such
19 authorized tax credits have been issued.

20 135.1565. The total aggregate amount for air export tax credits authorized under section
21 135.1555 shall not exceed sixty million dollars. The amount of the air export tax credits issued
22 under section 135.1555 shall not exceed seven million five hundred thousand dollars for each fiscal
23 year beginning on or after July 1, 2013, unless authorized by the department. Any amount issued
24 exceeding seven million five hundred thousand dollars in a fiscal year shall be reduced first from the
25 authorized amount for the fiscal year ending June 30, 2021, and then the preceding fiscal years, until
26 all such authorized credits have been issued.

27 135.1570. If the amount of any tax credit authorized under sections 135.1550 to 135.1575
28 exceeds the total tax liability for the year in which the applicant is entitled to receive a tax credit, the
29 amount that exceeds the state tax liability may be carried forward for credit against the taxes
30 imposed under chapters 143, 147, and 148, except those in sections 143.191 to 143.265, for the
31 succeeding six years, or until the full credit is used, whichever occurs first. Tax credits authorized
32 under the provisions of sections 135.1550 to 135.1575 may be transferred, sold, or otherwise
33 assigned. Tax credits granted to a partnership, a limited liability company taxed as a partnership, or
34 multiple owners of property shall be passed through to the partners, members, or owners respectively
35 pro rata or pursuant to an executed agreement among the partners, members, or owners documenting
36 an alternate distribution method.

37 135.1575. 1. The department may promulgate rules to implement the provisions of sections
38 135.1550 to 135.1575. Any rule or portion of a rule, as that term is defined in section 536.010 that is
39 created under the authority delegated in this section shall become effective only if it complies with
40 and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This
41 section and chapter 536 are nonseverable and if any of the powers vested with the general assembly
42 pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are
43 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or
44 adopted after the effective date of this act, shall be invalid and void.

45 2. The provisions of section 23.253 of the Missouri sunset act notwithstanding:

46 (1) The provisions of the new programs authorized under sections 135.1550 to 135.1575
47 shall automatically sunset eight years after the effective date of this act, unless reauthorized by an act
48 of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset eight years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the programs authorized under sections 135.1550 to 135.1575 sunset.

144.810. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

(1) "Commencement of commercial operations", shall be deemed to occur during the first calendar year for which the data storage center is first available for use by the operating taxpayer, or first capable of being used by the operating taxpayer, as a data storage center;

(2) "Constructing taxpayer", if more than one taxpayer is responsible for a project, a taxpayer responsible for the construction of the facility, as opposed to a taxpayer responsible for the equipping and ongoing operations of the facility;

(3) "County average wage", the average wage in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility;

(4) "Data storage center" or "facility", a facility constructed, extended, improved, or operating under this section, provided that such business facility is engaged primarily in:

(a) Data processing, hosting, and related services (NAICS 518210);

(b) Internet publishing and broadcasting and web search portals (NAICS 519130), at the business facility; or

(c) Customer service, customer contact, or customer support operations through the use of computer databases and telecommunications services at the business facility;

(5) "Existing facility", a data storage center in this state as it existed prior to August 28, 2013, as determined by the department;

(6) "Expanding facility" or "expanding data storage center", an existing facility or replacement facility that expands its operations in this state on or after August 28, 2013, and has a net new investment related to the expansion of operations in this state of at least two million dollars during a period of up to twelve consecutive months and results in the creation of at least two new jobs during a period of up to twenty-four consecutive months from the date of conditional approval for an exemption under this section, if the average wage of the new jobs equals or exceeds one hundred and fifty percent of the county average wage. An expanding facility shall continue to be an expanding facility regardless of a subsequent change in or addition of operating taxpayers or constructing taxpayers;

(7) "Expanding facility project" or "expanding data storage center project", the construction, extension, improvement, equipping, and operation of an expanding facility;

(8) "Investment" shall include the value of real and depreciable personal property, acquired as part of the new or expanding facility project which is used in the operation of the facility following conditional approval of an exemption under this section;

(9) "NAICS", the 2007 edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this section shall include its corresponding classification in previous and subsequent federal industry classification systems;

(10) "New facility" or "new data storage center", a facility in this state meeting the following requirements:

(a) The facility is acquired by, or leased to, an operating taxpayer on or after August 28, 2013. A facility shall be deemed to have been acquired by, or leased to, an operating taxpayer on or

1 after August 28, 2013, if the transfer of title to an operating taxpayer, the transfer of possession
 2 under a binding contract to transfer title to an operating taxpayer, or the commencement of the term
 3 of the lease to an operating taxpayer occurs on or after August 28, 2013, or, if the facility is
 4 constructed, erected, or installed by or on behalf of an operating taxpayer, such construction,
 5 erection, or installation is commenced on or after August 28, 2013;

6 (b) If such facility was acquired by an operating or constructing taxpayer from another
 7 person or persons on or after August 28, 2013, and such facility was employed prior to August 28,
 8 2013, by any other person or persons in the operation of a data storage center the facility shall not be
 9 considered a new facility;

10 (c) Such facility is not an expanding or replacement facility, as defined in this section;

11 (d) The new facility project investment is at least five million dollars during a period of up to
 12 thirty-six consecutive months from the date of the conditional approval for an exemption under this
 13 section. If more than one taxpayer is responsible for a project, the investment requirement may be
 14 met by an operating taxpayer, a constructing taxpayer, or a combination of constructing taxpayers
 15 and operating taxpayers;

16 (e) At least five new jobs are created at the new facility during a period of up to thirty-six
 17 consecutive months from the date of conditional approval for an exemption under this section if the
 18 average wage of the new jobs equals or exceeds one hundred fifty percent of the county average
 19 wage; and

20 (f) A new facility shall continue to be a new facility regardless of a subsequent change in or
 21 addition of operating taxpayers or constructing taxpayers;

22 (11) "New data storage center project" or "new facility project", the construction, extension,
 23 improvement, equipping, and operation of a new facility;

24 (12) "New job" in the case of a new data center project, the total number of full-time
 25 employees located at a new data storage center for a period of up to thirty-six consecutive months
 26 from the date of conditional approval for an exemption under this section. In the case of an
 27 expanding data storage center project, the total number of full-time employees located at the
 28 expanding data storage center that exceeds the greater of the number of full-time employees located
 29 at the project facility on the date of the submission of a project plan under this section or for the
 30 twelve-month period prior to the date of the submission of a project plan, the average number of
 31 full-time employees located at the expanding data storage center facility. In the event the expanding
 32 data storage center facility has not been in operation for a full twelve-month period at the time of the
 33 submission of a project plan, the average number of full-time employees for the number of months
 34 the expanding data storage center facility has been in operation prior to the date of the submission of
 35 the project plan;

36 (13) "Notice of intent", a form developed by the department of economic development,
 37 completed by the project taxpayer, and submitted to the department, which states the project
 38 taxpayer's intent to construct or expand a data center and requests the exemptions under this
 39 program;

40 (14) "Operating taxpayer", if more than one taxpayer is responsible for a project, a taxpayer
 41 responsible for the equipping and ongoing operations of the facility, as opposed to a taxpayer
 42 responsible for the purchasing or construction of the facility;

43 (15) "Project taxpayers", each constructing taxpayer and each operating taxpayer for a data
 44 storage center project;

45 (16) "Replacement facility", a facility in this state otherwise described in subdivision (7) of
 46 this subsection, but which replaces another facility located within the state, which the taxpayer or a
 47 related taxpayer previously operated but discontinued operating within one year prior to the
 48 commencement of commercial operations at the new facility;

1 (17) "Taxpayer", the purchaser of tangible personal property or a service that is subject to
 2 state or local sales or use tax and from whom state or local sales or use tax is owed. Taxpayer shall
 3 not mean the seller charged by law with collecting the sales tax from the purchaser.

4 2. In addition to the exemptions granted under chapter 144, project taxpayers for a new data
 5 storage center project shall be entitled, for a project period not to exceed fifteen years from the date
 6 of conditional approval under this section and subject to the requirements of subsection 3 of this
 7 section, to an exemption of one hundred percent of the state and local sales and use taxes defined,
 8 levied, or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761,
 9 or section 238.235, limited to the net fiscal benefit of the state calculated over a ten year period, on:

10 (1) All electrical energy, gas, water, and other utilities including telecommunication and
 11 internet services used in a new data storage center;

12 (2) All machinery, equipment, and computers used in any new data storage center; and

13 (3) All sales at retail of tangible personal property and materials for the purpose of
 14 constructing any new data storage center.

15
 16 The amount of any exemption provided under this subsection shall not exceed the projected net fiscal
 17 benefit to the state over a period of ten years, as determined by the department of economic
 18 development using the Regional Economic Modeling, Inc. dataset or comparable data.

19 3. (1) Any data storage center project seeking a tax exemption under subsection 2 of this
 20 section shall submit a notice of intent and a project plan to the department of economic development,
 21 which shall identify each known constructing taxpayer and known operating taxpayer for the project
 22 and include any additional information the department of economic development may require to
 23 determine eligibility for the exemption. The department of economic development shall review the
 24 project plan and determine whether the project is eligible for the exemption under subsection 2 of
 25 this section, conditional upon subsequent verification by the department that the project meets the
 26 requirements in subsection 1 of this section for a new facility project. The department shall make
 27 such conditional determination within thirty days of submission by the operating taxpayer. Failure
 28 of the department to respond within thirty days shall result in a project plan being deemed
 29 conditionally approved.

30 (2) The department of economic development shall convey conditional approvals to the
 31 department of revenue and the identified project taxpayers. After a conditionally approved new
 32 facility has met the requirements in subsection 1 of this section for a new facility and the execution
 33 of the agreement specified in subsection 6 of this section, the project taxpayers shall provide proof of
 34 the same to the department of economic development. Upon verification of such proof, the
 35 department of economic development shall certify the new facility to the department of revenue as
 36 being eligible for the exemption dating retroactively to the first day of construction on the new
 37 facility. The department of revenue, upon receipt of adequate proof of the amount of sales taxes paid
 38 since the first day of construction, shall issue a refund of taxes paid but eligible for exemption under
 39 subsection 2 of this section to each operating taxpayer and each constructing taxpayer and issue a
 40 certificate of exemption to each new project taxpayer for ongoing exemptions under subsection 2 of
 41 this section. The department of revenue shall issue such a refund within thirty days of receipt of
 42 certification from the department of economic development.

43 (3) Any project that does not meet the minimum investment or new job requirements of
 44 subsection 1 of this section may still be eligible for the exemption under subsection 2 of this section,
 45 as long as the exemptions for such project plan do not exceed the projected net fiscal benefit to the
 46 state over a period of ten years.

47 (4) The commencement of the exemption period may be delayed at the option of the
 48 operating taxpayer, but not more than twenty-four months after the execution of the agreement

1 required under subsection 6 of this section.

2 4. In addition to the exemptions granted under chapter 144, upon approval by the department
3 of economic development, project taxpayers for expanding data center projects may, for a period not
4 to exceed ten years, be specifically exempted from state and local sales and use taxes defined, levied,
5 or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or
6 section 238.235 on:

7 (1) All electrical energy, gas, water, and other utilities including telecommunication and
8 internet services used in an expanding data storage center which, on an annual basis, exceeds the
9 amount of electrical energy, gas, water, and other utilities including telecommunication and internet
10 services used in the existing facility or the replaced facility prior to the expansion. For purposes of
11 this subdivision only, "amount" shall be measured in kilowatt hours, gallons, cubic feet, or other
12 measures applicable to a utility service as opposed to in dollars, to account for increases in utility
13 rates;

14 (2) All machinery, equipment, and computers used in any expanding data storage center; and

15 (3) All sales at retail of tangible personal property and materials for the purpose of
16 constructing, repairing, or remodeling any expanding data storage center.

17
18 The amount of any exemption provided under this subsection shall not exceed the projected net fiscal
19 benefit to the state over a period of ten years, as determined by the department of economic
20 development.

21 5. (1) Any data storage center project seeking a tax exemption under subsection 4 of this
22 section shall submit a notice of intent and a project plan to the department of economic development,
23 which shall identify each known constructing taxpayer and each known operating taxpayer for the
24 project and include any additional information the department of economic development may
25 reasonably require to determine eligibility for the exemption. The department of economic
26 development shall review the project plan and determine whether the project is eligible for the
27 exemption under subsection 4 of this section, conditional upon subsequent verification by the
28 department that the project meets the requirements in subsection 1 of this section for an expanding
29 facility project and the execution of the agreement specified in subsection 6 of this section. The
30 department shall make such conditional determination within thirty days of submission by the
31 operating taxpayer. Failure of the department to respond within thirty days shall result in a project
32 plan being deemed conditionally approved.

33 (2) The department of economic development shall convey such conditional approval to the
34 department of revenue and the identified project taxpayers. After a conditional approved facility has
35 met the requirements in subsection 1 of this section, the project taxpayers shall provide proof of the
36 same to the department of economic development. Upon verification of such proof, the department
37 of economic development shall certify the project to the department of revenue as being eligible for
38 the exemption dating retroactively to the first day of the expansion of the facility. The department of
39 revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day of the
40 expansion of the facility, shall issue a refund of taxes paid but eligible for exemption under
41 subsection 4 of this section to any applicable project taxpayer and issue a certificate of exemption to
42 any applicable project taxpayer for ongoing exemptions under subsection 4 of this section. The
43 department of revenue shall issue such a refund within thirty days of receipt of certification from the
44 department of economic development.

45 (3) Any project that does not meet the minimum investment or new job requirements of
46 subsection 1 of this section may still be eligible for the exemption under subsection 4 of this section,
47 as long as the exemptions for such project plan do not exceed the projected net fiscal benefit to the
48 state over a period of ten years.

1 (4) The commencement of the exemption period may be delayed at the option of the
 2 operating taxpayer, but not more than twenty-four months after the execution of the agreement
 3 required under subsection 6 of this section.

4 6. (1) The exemptions in subsections 2 and 4 of this section shall be tied to the new or
 5 expanding facility project. A certificate of exemption in the hands of a taxpayer that is no longer an
 6 operating or constructing taxpayer of the new or expanding facility project shall be invalid as of the
 7 date the taxpayer was no longer an operating or constructing taxpayer of the new or expanding
 8 facility project. New certificates of exemption shall be issued to successor constructing taxpayers
 9 and operating taxpayers at such new or expanding facility projects. The right to the exemption by
 10 successor taxpayers shall exist without regard to subsequent levels of investment in the new or
 11 expanding facility by successor taxpayers.

12 (2) As a condition of receiving an exemption under subsection 2 or 4 of this section, the
 13 project taxpayers shall enter into an agreement with the department of economic development
 14 providing for repayment penalties in the event the data storage center project fails to comply with
 15 any of the requirements of this section.

16 (3) The department of revenue shall credit any amounts remitted by the project taxpayers
 17 under this subsection to the fund to which the sales and use taxes exempted would have otherwise
 18 been credited.

19 7. The department of economic development and the department of revenue shall cooperate
 20 in conducting random audits to ensure that the intent of this section is followed.

21 8. Notwithstanding any other provision of law to the contrary, no recipient of an exemption
 22 pursuant to this section shall be eligible for benefits under any business recruitment tax credit, as
 23 defined in section 135.800.

24 9. The department of economic development and the department of revenue shall jointly
 25 prescribe such rules and regulations necessary to carry out the provisions of this section. Any rule or
 26 portion of a rule, as that term is defined in section 536.010, that is created under the authority
 27 delegated in this section shall become effective only if it complies with and is subject to all of the
 28 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
 29 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
 30 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
 31 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
 32 August 28, 2013, shall be invalid and void.

33 10. This section shall terminate on September 1, 2019. The termination of this section shall
 34 not be construed to limit or in any way impair the exemption for any project approved prior to the
 35 termination of this section."; and

36
 37 Further amend said substitute, Page 36, Section 348.274, Line 134, by inserting after all of said line
 38 the following:

39 "447.708. 1. For eligible projects, the director of the department of economic development,
 40 with notice to the directors of the departments of natural resources and revenue, and subject to the
 41 other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may
 42 decide that a prospective operator of a facility being remedied and renovated pursuant to sections
 43 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to
 44 135.150 and sections 135.200 to 135.257. The tax credits allowed pursuant to this subsection shall
 45 be used to offset the tax imposed by chapter 143, excluding withholding tax imposed by sections
 46 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise imposed by
 47 chapter 148. For purposes of this subsection:

48 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible

1 project must create at least ten new jobs or retain businesses which supply at least twenty-five
2 existing jobs. The city, or county if the eligible project is not located in a city, must provide ad
3 valorem tax abatement of at least fifty percent for a period not less than ten years and not more than
4 twenty-five years;

5 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit for
6 new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, the
7 eligible project must create at least ten new jobs or retain businesses which supply at least
8 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the
9 tax credits described in section 135.225 are modified as follows: the tax credit shall be four hundred
10 dollars per employee per year, an additional four hundred dollars per year for each employee
11 exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing
12 businesses, respectively, an additional four hundred dollars per year for each person who is a person
13 difficult to employ as defined by section 135.240, and investment tax credits at the same amounts
14 and levels as provided in subdivision (4) of subsection 1 of section 135.225;

15 (3) For eligibility to receive the income tax refund pursuant to section 135.245, the eligible
16 project must create at least ten new jobs or retain businesses which supply at least twenty-five
17 existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245
18 for application and use of the refund and the eligibility requirements of this section;

19 (4) The eligible project operates in compliance with applicable environmental laws and
20 regulations, including permitting and registration requirements, of this state as well as the federal
21 and local requirements;

22 (5) The eligible project operator shall file such reports as may be required by the director of
23 economic development or the director's designee;

24 (6) The taxpayer may claim the state tax credits authorized by this subsection and the state
25 income exemption for a period not in excess of ten consecutive tax years. For the purpose of this
26 section, "taxpayer" means an individual proprietorship, partnership or corporation described in
27 section 143.441 or 143.471 who operates an eligible project. The director shall determine the
28 number of years the taxpayer may claim the state tax credits and the state income exemption based
29 on the projected net state economic benefits attributed to the eligible project;

30 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2)
31 and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained
32 during the taxpayer's tax period for which the credits are earned, in the case of an eligible project that
33 does not replace a similar facility in Missouri. "New job" means a person who was not previously
34 employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding
35 the time the person was employed by that taxpayer to work at, or in connection with, the eligible
36 project on a full-time basis. "Full-time basis" means the employee works an average of at least
37 thirty-five hours per week during the taxpayer's tax period for which the tax credits are earned. For
38 the purposes of this section, related taxpayer has the same meaning as defined in subdivision (9) of
39 section 135.100;

40 (8) For the purpose of meeting the existing job retention requirement, if the eligible project
41 replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
42 period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs
43 be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer's
44 tax period for which the credits are earned. "Retained job" means a person who was previously
45 employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed
46 elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned,
47 within the tax period immediately preceding the time the person was employed by the taxpayer to
48 work at, or in connection with, the eligible project on a full-time basis. "Full-time basis" means the

1 employee works an average of at least thirty-five hours per week during the taxpayer's tax period for
2 which the tax credits are earned;

3 (9) In the case where an eligible project replaces a similar facility that closed elsewhere in
4 Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the owner
5 and operator of the eligible project shall provide the director with a written statement explaining the
6 reason for discontinuing operations at the closed facility. The statement shall include a comparison
7 of the activities performed at the closed facility prior to the date the facility ceased operating, to the
8 activities performed at the eligible project, and a detailed account describing the need and rationale
9 for relocating to the eligible project. If the director finds the relocation to the eligible project
10 significantly impaired the economic stability of the area in which the closed facility was located, and
11 that such move was detrimental to the overall economic development efforts of the state, the director
12 may deny the taxpayer's request to claim tax benefits;

13 (10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the
14 number of new jobs created and maintained, the number of existing jobs retained, and the value of
15 new qualified investment used at the eligible project during any tax year shall be determined by
16 dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible
17 project, or in the case of new qualified investment, the value of new qualified investment used at the
18 eligible project, on the last business day of each full calendar month of the tax year. If the eligible
19 project is in operation for less than the entire tax year, the number of new jobs created and
20 maintained, the number of existing jobs retained, and the value of new qualified investment created
21 at the eligible project during any tax year shall be determined by dividing the sum of the number of
22 individuals employed at the eligible project, or in the case of new qualified investment, the value of
23 new qualified investment used at the eligible project, on the last business day of each full calendar
24 month during the portion of the tax year during which the eligible project was in operation, by the
25 number of full calendar months during such period;

26 (11) For the purpose of this section, "new qualified investment" means new business facility
27 investment as defined and as determined in subdivision (7) of section 135.100 which is used at and in
28 connection with the eligible project. "New qualified investment" shall not include small tools,
29 supplies and inventory. "Small tools" means tools that are portable and can be hand held.

30 2. The determination of the director of economic development pursuant to subsection 1 of
31 this section shall not affect requirements for the prospective purchaser to obtain the approval of the
32 granting of real property tax abatement by the municipal or county government where the eligible
33 project is located.

34 3. (1) The director of the department of economic development, with the approval of the
35 director of the department of natural resources, may, [in addition to the tax credits allowed in
36 subsection 1 of this section,] grant a remediation tax credit to the applicant for up to one hundred
37 percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and
38 architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility
39 charges for performing the voluntary remediation activities for the preexisting hazardous substance
40 contamination and releases, including, but not limited to, the costs of performing operation and
41 maintenance of the remediation equipment at the property beyond the year in which the systems and
42 equipment are built and installed at the eligible project and the costs of performing the voluntary
43 remediation activities over a period not in excess of four tax years following the taxpayer's tax year
44 in which the system and equipment were first put into use at the eligible project, provided the
45 remediation activities are the subject of a plan submitted to, and approved by, the director of natural
46 resources pursuant to sections 260.565 to 260.575. The tax credit may also include up to one
47 hundred percent of the costs of demolition that are not directly part of the remediation activities,
48 provided that the demolition is on the property where the voluntary remediation activities are

1 occurring, the demolition is necessary to accomplish the planned use of the facility where the
2 remediation activities are occurring, and the demolition is part of a redevelopment plan approved by
3 the municipal or county government and the department of economic development. The demolition
4 may occur on an adjacent property if the project is located in a municipality which has a population
5 less than twenty thousand and the above conditions are otherwise met. The adjacent property shall
6 independently qualify as abandoned or underutilized. The amount of the credit available for
7 demolition not associated with remediation cannot exceed the total amount of credits approved for
8 remediation including demolition required for remediation.

9 (2) The amount of remediation tax credits issued shall be limited to the least amount
10 necessary to cause the project to occur, as determined by the director of the department of economic
11 development.

12 (3) The director may, with the approval of the director of natural resources, extend the tax
13 credits allowed for performing voluntary remediation maintenance activities, in increments of
14 three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this
15 subsection shall be used to offset the tax imposed by chapter 143, excluding withholding tax imposed
16 by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the tax otherwise
17 imposed by chapter 148. The remediation tax credit may be taken in the same tax year in which the
18 tax credits are received or may be taken over a period not to exceed twenty years.

19 (4) The project facility shall be projected to create at least ten new jobs or at least
20 twenty-five retained jobs, or a combination thereof, as determined by the department of economic
21 development, to be eligible for tax credits pursuant to this section.

22 (5) No more than seventy-five percent of earned remediation tax credits may be issued when
23 the remediation costs were paid, and the remaining percentage may be issued when the department
24 of natural resources issues a letter of completion letter or covenant not to sue following completion
25 of the voluntary remediation activities. It shall not include any costs associated with ongoing
26 operational environmental compliance of the facility or remediation costs arising out of spills, leaks,
27 or other releases arising out of the ongoing business operations of the facility. In the event the
28 department of natural resources issues a letter of completion for a portion of a property, an impacted
29 media such as soil or groundwater, or for a site or a portion of a site improvement, a prorated amount
30 of the remaining percentage may be released based on the percentage of the total site receiving a
31 letter of completion.

32 4. In the exercise of the sound discretion of the director of the department of economic
33 development or the director's designee, the tax credits and exemptions described in this section may
34 be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions
35 set forth in this section. In making such a determination, the director shall consider the severity of
36 the condition violation, actions taken to correct the violation, the frequency of any condition
37 violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and
38 operator. The director shall also consider changes in general economic conditions and the
39 recommendation of the director of the department of natural resources, or his or her designee,
40 concerning the severity, scope, nature, frequency and extent of any violations of the environmental
41 compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal
42 the decision regarding termination, suspension or revocation of any tax credit or exemption in
43 accordance with the procedures outlined in subsections 4 to 6 of section 135.250. The director of the
44 department of economic development shall notify the directors of the departments of natural
45 resources and revenue of the termination, suspension or revocation of any tax credits as determined
46 in this section or pursuant to the provisions of section 447.716.

47 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
48 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of

1 this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions
2 and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, respectively, for
3 the same facility for the same tax period.

4 6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed
5 the greater of:

6 (1) That portion of the taxpayer's income attributed to the eligible project; or

7 (2) One hundred percent of the total business' income tax if the eligible facility does not
8 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
9 period in which the tax credits are earned, and further provided the taxpayer does not operate any
10 other facilities besides the eligible project in Missouri; fifty percent of the total business' income tax
11 if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of
12 the taxpayer's tax period in which the credits are earned, and further provided the taxpayer does not
13 operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total
14 business income if the taxpayer operates, in addition to the eligible facility, any other facilities in
15 Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed
16 to offset more than twenty-five percent of the taxpayer's business income in any tax period. That
17 portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of
18 this subsection, for which the credits allowed in sections 135.110 and 135.225 and subsection 3 of
19 this section, may apply, shall be determined in the same manner as prescribed in subdivision (6) of
20 section 135.100. That portion of the taxpayer's franchise tax attributed to the eligible project for
21 which the remediation tax credit may offset, shall be determined in the same manner as prescribed in
22 paragraph (a) of subdivision (6) of section 135.100.

23 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection
24 1 of this section shall be required to file all applicable tax credit applications, forms and schedules
25 prescribed by the director during the taxpayer's tax period immediately after the tax period in which
26 the eligible project was first put into use. Otherwise, the taxpayer's right to claim such state tax
27 benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be
28 carried forward but shall be initially claimed for the tax period during which the eligible project was
29 first capable of being used, and during any applicable subsequent tax periods.

30 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall
31 be required to file all applicable tax credit applications, forms and schedules prescribed by the
32 director during the taxpayer's tax period immediately after the tax period in which the eligible
33 project was first put into use, or during the taxpayer's tax period immediately after the tax period in
34 which the voluntary remediation activities were performed.

35 9. The recipient of remediation tax credits, for the purpose of this subsection referred to as
36 assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in
37 subsection 3 of this section to any other person, for the purpose of this subsection referred to as
38 assignee. To perfect the transfer, the assignor shall provide written notice to the director of the
39 assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the
40 assignee's name, address and the assignee's tax period and the amount of tax credits to be transferred.
41 The number of tax periods during which the assignee may subsequently claim the tax credits shall
42 not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the
43 credits before the transfer occurred.

44 10. In the case where an operator and assignor of an eligible project has been certified to
45 claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells
46 or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the
47 same or substantially similar operations at the eligible project, the director shall allow the assignee to
48 claim the credits for a period of time to be determined by the director; except that, the total number

of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice to the director of the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount of tax credits to be transferred.

11. For the purpose of the state tax benefits described in this section, in the case of a corporation described in section 143.471 or partnership, in computing Missouri's tax liability, such state benefits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership.

The credit provided in this subsection shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

12. For each fiscal year beginning on or after July 1, 2014, no more than twenty-five million dollars in tax credits shall be authorized under the provisions of section 447.700 to 447.718. Of the twenty-five million dollars authorized under this subsection, no more than five million dollars shall be available to projects qualified to receive benefits under section 99.1205."; and

Further amend said substitute, Page 38, Section 620.1039, Line 70, by inserting after all of said line the following:

"[143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits authorized under this section shall be nontransferable. To the extent tax credit issued under this section exceeds a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.]; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.